



BRITISH FROZEN FOOD FEDERATION

FOODSERVICE MARKET 2002 AND 2005 COMPARISON

We are delighted to have been able to obtain statistics on the foodservice frozen market from leading market statistics expert, Horizons FS Ltd. They have a database of 180,000 statistics and details of over 3,000 foodservice operator brands. The company works in the UK and across Europe and Horizon's views are sought by organisations such as the Bank of England and Defra.

We will examine different parts of the foodservice landscape on a quarterly basis and we start in this edition with a review of the restaurant sector. The table below shows food purchases split frozen, chilled and ambient, the number of outlets, meals served and total food and drink sales for the years 2002 and 2005.

Frozen food purchases of just over £1,035 million, through restaurants, have shown a small growth in 2005 over 2002 whilst the number of meals has grown by 3.7% from outlets that are up by 1.3%. There has been an increase in fast food and sandwich chains but that has been offset by a fall in independent units such as cafes and fish and chip shops.

Frozen food purchases represent over 40% of food purchases in Quick Service Restaurants. The market in the restaurant sector is huge at just over £1 billion and over the last three years has been stable.

In the next quarter's review, we will highlight performance in the Pubs, Hotels and Leisure sector.

Frozen food plays a crucial role in this huge sector by providing consistent quality, ease of use, all year availability and menu choice to all kinds of operators.

We greatly appreciate the support of Peter Backman and Horizons for providing the very useful data.

Brian Young
BFFF
March 2007



BRITISH FROZEN FOOD FEDERATION

FOCUS ON FOODSERVICE 2002 AND 2005 COMPARISON - THE RESTAURANT SECTOR



Source: Horizons FS Ltd.

FOOD PURCHASES

Food Categories	QUICK SERVICE RESTAURANTS (QSR)			FULL SERVICE RESTAURANTS			TOTAL		
	2002 £ millions	2005 £ millions	Percentage Gain/Loss	2002 £ millions	2005 £ millions	Percentage Gain/Loss	2002 £ millions	2005 £ millions	Percentage Gain/Loss
Frozen	880	883	0.3	149	152	2.0	1,029	1,035	0.6
Chilled - Long Life	177	177	0.0	210	223	6.2	387	400	3.4
Chilled - Short Life	465	481	3.4	744	803	7.9	1,209	1,284	6.2
Ambient	587	589	0.3	339	360	6.2	926	949	2.5
Total	2,109	2,130	1.0	1,442	1,538	6.7	3,551	3,668	3.3

GENERAL INFORMATION

Information Categories	QUICK SERVICE RESTAURANTS (QSR)			FULL SERVICE RESTAURANTS			TOTAL		
	2002	2005	Percentage Gain/Loss	2002	2005	Percentage Gain/Loss	2002	2005	Percentage Gain/Loss
No. of Outlets	29,384	29,645	0.9	25,951	26,416	1.8	55,336	56,060	1.3
No. of Meals Served - Millions	1,946	2,006	3.1	696	734	5.5	2,642	2,740	3.7
Drink Sales - £ millions	8,602	8,781	2.1	7,134	7,612	6.7	15,736	16,393	4.2

Source: Horizons FS Ltd. For further information, contact Peter Backman, Horizons FS Ltd. Tel: 020 8349 0162
 Web Site: www.horizonsforsuccess.com



**FOODSERVICE MARKET
2002 AND 2005 COMPARISON – RESTAURANT SECTOR**

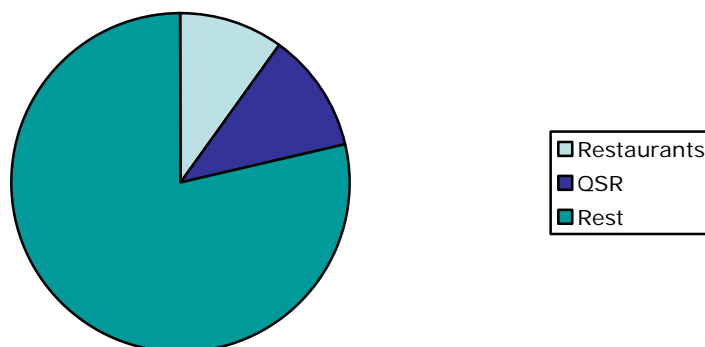
OUTLETS

	2002	2005
Full Service Restaurants	25,951	26,416
Quick Service Restaurants	29,384	29,645
TOTAL	57,336	56,060

Source: Horizons

- Restaurants – full service plus quick service – account for 21% of all outlets
- Numbers have increased by just over 720 in the three years to 2005
- Most of this increase has come from full service restaurants – especially pub restaurants
- Although there has been an increase in fast food and sandwich chains, most of this increase has been offset by a fall in independent units such as cafes and fish and chips shops.

Number of outlets: 2005



FOOD & DRINK SALES

£ Millions

	2002	2005
Full Service Restaurants	7,134	7,612
Quick Service Restaurants	8,602	8,781
TOTAL	15,736	16,393

Source: Horizons

- Restaurant sales increased by 4.3% in the three years to 2005
- Full service restaurants grew by almost 7%
- Quick service grew by 2%

**FOODSERVICE MARKET
2002 AND 2005 COMPARISON – RESTAURANT SECTOR**

FOOD PURCHASES – 2002

£ Millions

	Total	Ambient	Chilled - Long Life	Chilled - Short Life	Frozen
Full Service Restaurants	1,442	339	210	744	149
Quick Service Restaurants	2,109	587	177	465	880
TOTAL	3,551	926	387	1,209	1,029

Source: Horizons

- Frozen food accounted for 28% of all food purchased by restaurants in 2002
- In quick service outlets, the percentage was over 41%.

FOOD PURCHASES – 2005

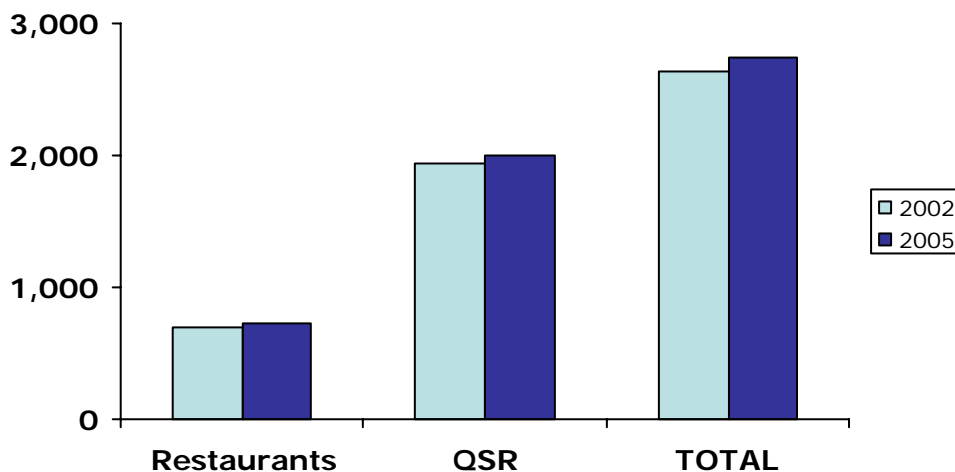
£ Millions

	Total	Ambient	Chilled - Long Life	Chilled - Short Life	Frozen
Full Service Restaurants	1,537	360	223	803	152
Quick Service Restaurants	2,130	589	177	481	883
TOTAL	3,667	949	400	1,284	1,034

Source: Horizons

- Food purchases increased by 3.2% in inflation-adjusted terms between 2002 and 2005
- Frozen food grew by £6 million
- Fresh (Chilled – short life) food grew by over 6% and chilled food advanced by 3.3%

Meals (Millions): 2002 -2005



FOODSERVICE MARKET 2002 AND 2005 COMPARISON

SECTOR DEFINITIONS

Quick Service Restaurants:

- **Fast-Food:**
This includes chains where control lies at head office, with over 50 outlets worldwide and which operate at least a sit-in area or a delivery service;
eg Burger King; Domino's Pizza; KFC; Pizza Hut; Pret a Manger; McDonald's; Wimpy
- **Cafes:**
 - Coffee Shops

N.B: The coffee shop sector consists of those outlets that serve hot or cold beverages, but no alcohol and that serve viennoiserie, doughnuts, cakes or ice-creams. They may also serve sandwiches, small salads or soups, although serving meals is not their main domain of business. These include tea rooms, action based coffee shops, ice-cream parlours as well as the more traditional coffee shops.
- **Traditional Cafes**
 - Take Aways:
eg Sandwich bars; Fish & Chips/Kebabs; Chinese/Oriental;
N.B: Outlets that have no restaurant section and only operate a take-away/delivery service
 - Indian/Pakistani:
N.B: Outlets that have no restaurant section and only operate a take-away/delivery service
 - Burger/Pizza/Chicken/Jacket Potatoes/Others

Full Service Restaurants:

- **European:**
 - British/Cosmopolitan; Italian/Spanish; French
- **- Ethnic:**
 - Chinese/Oriental; Indian/Pakistani
N.B: Outlets that provide either a restaurant area or a take-away service and a restaurant area
 - Mediterranean
- **-Concept:**
 - In-Store; Specialist Roadside Restaurants
 - Pub Restaurants
N.B: These include pub outlets whose main activity is being a restaurant
 - Pizza/Pasta
 - Mexican/Tex-Mex/Caribbean
 - Themed
 - Specialist Menu/Other.

Rest:

Pubs; Hotels; Leisure; Staff Catering; Health Care; Education; Services